



MEMORANDUM

DATE: March 11, 2021

TO: USAID/M/OAA/CAS/CAM, Supervisory Auditor, Eleanor C. Jefferson

FROM: USAID OIG Africa Regional Office, Assistant Director, Matthew Rathgeber /s/

SUBJECT: Financial Audit of USAID Resources Managed by Acción Contra el Hambre in Multiple Countries Under Multiple Awards, January 1 to December 31, 2019 (Report No. 4-000-21-044-R)

This memorandum transmits the final audit report on of USAID resources managed by Acción Contra el Hambre (ACH) in multiple countries under multiple awards listed in the attached appendix I. ACH contracted with the independent certified public accounting firm, Gelman Rosenberg & Freedman (GRF), Bethesda, Maryland, to conduct the audit. The audit firm stated that it performed its audit in accordance with generally accepted government auditing standards (GAGAS). The audit firm is responsible for the enclosed report and the conclusions expressed in it. We do not express an opinion on ACH's fund accountability statement; the effectiveness of its internal control; or its compliance with the award, laws, and regulations.¹

The audit objectives were to (1) express an opinion on whether the fund accountability statement for the period audited was presented fairly, in all material respects; (2) evaluate ACH's internal controls; (3) determine whether ACH complied with award terms and applicable laws and regulations; (4) review the indirect cost rate; and (5) review the implementation status of the prior period recommendations.

To answer the audit objectives, GRF (1) audited the fund accountability statement for the award including the budgeted amounts by category and major items and the revenues received from USAID for the period covered by the audit and the costs reported by ACH as incurred from January 1 to December 31, 2019; (2) evaluated the control environment, the adequacy of

¹ We reviewed the audit firm's report for conformity with professional reporting standards. Our desk reviews are typically performed to identify any items needing clarification or issues requiring management attention. Desk reviews are limited to review of the audit report itself and excludes review of the auditor's supporting working papers; they are not designed to enable us to directly evaluate the quality of the audit performed.

the accounting systems, and control procedures that pertain to ACH's ability to report financial data consistent with the assertions embodied in each account of the fund accountability statement; (3) identified the award terms and pertinent laws and regulations and determined which of those, if not observed, could have a direct and material effect on the fund accountability statement; (4) reviewed the indirect cost rate; and (5) reviewed the implementation status of the prior period recommendations. ACH reported expenditures of \$30,881,120 in USAID funds during the audited period.

The audit firm concluded the fund accountability statement presented fairly, in all material respects, program revenues and costs incurred under the award for the period audited. The audit firm identified \$32,833 in total questioned costs (\$28,256 ineligible and \$4,577 unsupported); no material weaknesses in internal control; and one instance of material noncompliance. In addition, although we are not making a recommendation for significant deficiencies and other areas of concern noted in the report, we suggest that USAID/M/OAA/CAS/CAM determine if the recipient addressed the issues noted.

During our desk review, we noted several minor issues which the audit firm will need to address in future audit reports. We presented these issues in a memo to the controller, dated March 11, 2021.

To address the issues identified in the report, we recommend that USAID/M/OAA/CAS/CAM:

Recommendation 1. Determine the allowability of \$32,833 in questioned costs (\$28,256 ineligible, \$4,577 unsupported) on pages I-7 and I-51 of the audit report and recover any amount that is unallowable.

Recommendation 2. Verify that Acción Contra el Hambre corrects the one instance of material noncompliance detailed on pages III-1 and III-2 of the audit report.

We ask that you provide your written notification of actions planned or taken to reach management decision.

OIG does not routinely distribute independent public accounting reports beyond the immediate addressees because a high percentage of these reports contain information restricted from release under the Trade Secrets Act, 18 U.S.C. 1905 and Freedom of Information Act Exemption Four, 5 U.S.C. 552(b)(4) ("commercial or financial information obtained from a person that is privileged or confidential").

Appendix I (only USAID awards and subawards)

Award Name (Type)	Award Number	Audit Period
Humanitarian Multisectoral Lifesaving Response to Critical Needs in Gao and Bourem Districts, in Mali (grant)	720FDA19GR00213	Oct. 1 – Dec. 31, 2019
Increased Coverage of Management of Severe Acute Malnutrition Through the Support of Community Health Workers in Emergency Areas by Simplified Protocol in Niger and Mali (grant)	720FDA19GR00289	Jul. 25 – Dec. 31, 2019
Emergency Assistance to Drought Affected Agro-Pastoral Communities in Southern and Eastern Regions of Mauritania (grant)	720FDA19GR00152	Jul. 19 – Dec. 31, 2019
Improving Response to Urgent Food Needs and Strengthening the Resilience of Vulnerable Communities in Gorgo, Mauritania (grant)	72DFFP19GR00032	Apr. 5 – Dec. 31, 2019
Emergency Response to the Essential Needs of Vulnerable Populations in Niger through ACTED (subaward)	720FDA19GR00175	Aug. 1 – Dec. 31, 2019
Emergency Response to Food Insecurity in Northern Senegal (grant)	72DFFP19GR00022	Feb. 19 – Dec. 31, 2019
Supporting Humanitarian Actors to Increase Scale and Quality of Cash Transfer Programming in West Africa (grant)	720FDA18GR00234	Jan. 1 – Dec. 31, 2019
Strengthening the Resilience and Response Capacity of Wayuú Communities and Local Authorities to Cope with Climate Variability in Colombia (grant)	720FDA19GR00131	Aug. 15 – Dec. 31, 2019
Cash for Urban Assistance in Colombia (cooperative agreement)	720FDA19CA00078	Sep. 15 – Dec. 31, 2019
Agriculture and Food Security Emergency Assistance to Vulnerable Conflict-Affected Populations in Syria (cooperative agreement)	720FDA19CA00034	Jun. 1 – Dec. 31, 2019
Alliance for Community Resilience in Mali Through Handicap International (subaward)	72DFFP19GR00038	Mar. 6 – Dec. 31, 2019
Strengthening Resilience and Capacities of National and Community Health Systems to Respond to Recurrent Nutritional Crisis in the Matam Region, Northern Senegal (grant)	720FDA19GR00089	Jun. 1 – Dec. 31, 2019
Humanitarian Assistance and Response to the Population Affected by the Conflict in Syria in Areas Accessible from the Consortium of INGOs Based in Damascus in Syria (grant)	720FDA18GR00046	Jan. 1 – Dec. 31, 2019
Emergency Basic Service Intervention for IDPs Affected by Marawi Conflict – Philippines – Phase 2 (grant)	720FDA18GR00112	Jan. 1 – Dec. 31, 2019

Improving Food Security and the Recovery of Agro-Pastoral Livelihoods for Vulnerable Displaced and Host Populations in Diffa Region, Niger (grant)	720FDA18GR00265	Jan. 1 – Dec. 31, 2019
Emergency Recovery and Resilience Building Program for Vulnerable Populations in the Guidimakha Region in Mauritania (grant) – closeout	72DFFP18GR00020	Jan. 1 – May 31, 2019
Enhancing the Accountability for Gender Based Violence with Humanitarian Nutrition Organizations in Mauritania (grant) – closeout	720FDA18GR00217	Jan. 1 – Jul. 18, 2019
Alliance for Community Resilience in Mali Through Humanity and Inclusion (subaward) – closeout	72DFFP18GR00017	Jan. 1 – Mar. 5, 2019
Improving the Early Recovery Capacities and Livelihoods Protection of Vulnerable Agro-Pastoral Communities in Gao Region, Mali (grant) - closeout	720FDA18GR00159	Jan. 1 – Sep. 30, 2019
Integrated Response to the Nutritional Crisis in 2018 in the Pastoral Districts of Ranérou, Kanel, and Peté, North Senegal (grant) – closeout	720FDA18GR00079	Jan. 1 – May 24, 2019
TISA: A Cluster Randomized Controlled Trial for the Effect of Adding Household Water Treatment and Hygiene Promotion to Standard Outpatient Therapeutic Treatment of Severe Acute Malnutrition in Matam Region of Senegal (grant)	720FDA18GR00249	Jan. 1 – Dec. 31, 2019
TISA: A Cluster Randomized Controlled Trial for the Effect of Adding Household Water Treatment and Hygiene Promotion to Standard Outpatient Therapeutic Treatment of Severe Acute Malnutrition in Matam Region of Senegal (grant) – closeout	72DFFP18GR00023	Jan. 1 – Jan. 31, 2019
Increase the Resilience and Adaptability of Wayuu Men and Women in the Municipality of Maicao, Department of Guajira, in Face of Climatic Variability (Drought) of the Territory, Improving Traditional Agricultural, Livestock and Community Practices to Contribute of Their Food Security in Colombia (grant) – closeout	AID-OFDA-G-17-00234	Jan. 1 – Feb. 28, 2019
Increase the Adaptability of Population Affected by Venezuelan Crisis in Maicao and Riohacha Municipalities, Department of Guajira Improving Agricultural Practices and Strengthening Livelihoods in Colombia (cooperative agreement) – closeout	720FDA18CA00010	Jan. 1 – Apr. 15, 2019
Increase Coverage of Management of Severe Acute Malnutrition Through the Support of Community Health Workers in Mauritania and Niger (grant) – closeout	AID-OFDA-G-17-00277	Jan. 1 – Jul. 30, 2019